



3015 (02-02-05)

ANNUAL REPORT

OF

Name: THREE LAKES SANITARY DISTRICT NO.1

Principal Office: P.O. BOX 325
THREE LAKES, WI 54562

For the Year Ended: DECEMBER 31, 2005

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: THREE LAKES SANITARY DISTRICT NO.1

Utility Address: P.O. BOX 325
THREE LAKES, WI 54562

When was utility organized? 1/1/1954

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: BECKY BELLMAN

Title: DISTRICT TREASURER

Office Address:

P.O. BOX 325
THREE LAKES, WI 54562

Telephone: (715) 546 - 3316

Fax Number:

E-mail Address:

Individual or firm, if other than utility employee, preparing this report:

Name: RANDALL H. BEARD, CPA

Title: PARTNER

Office Address: WIPFLI, LLP

43A WEST DAVENPORT ST
RHINELANDER, WI 54501

Telephone: (715) 369 - 1040

Fax Number: (715) 369 - 5407

E-mail Address: rbeard@wipfli.com

President, chairman, or head of utility commission/board or committee:

Name: MR. DALE BRUSS

Title: PRESIDENT

Office Address:

P.O. BOX 325
THREE LAKES, WI 54562

Telephone: (715) 546 - 3748

Fax Number:

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? YES

IDENTIFICATION AND OWNERSHIP

Individual or firm, if other than utility employee, auditing utility records:

Name: RANDALL H. BEARD, CPA**Title:** PARTNER**Office Address:** WIPFLI, LLP

43A WEST DAVENPORT ST

RHINELANDER, WI 54501

Telephone: (715) 369 - 1040**Fax Number:** (715) 369 - 5407**E-mail Address:** rbeard@wipfli.com**Date of most recent audit report:** 2/20/2006**Period covered by most recent audit:** JANUARY 1, 2005 - DECEMBER 31, 2005

Names and titles of utility management including manager or superintendent:

Name: WAYNE RYCHLOCK**Title:** OPERATOR**Office Address:**

P.O. BOX 325

THREE LAKES, WI 54562

Telephone: (715) 546 - 3748**Fax Number:****E-mail Address:**

Name of utility commission/committee: UTILITY COMMISSION

Names of members of utility commission/committee:

PETER BALTUS, COMMISSIONER

FRED BONACK, COMMISSIONER

DALE BRUSS, PRESIDENT

Is sewer service rendered by the utility? YES**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.0819 of the Wisconsin Statutes?** YES**Date of Ordinance:** 1/1/1954

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? NO

Provide the following information regarding the provider(s) of contract services:

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	122,336	111,691	1
Operating Expenses:			
Operation and Maintenance Expense (401)	76,671	79,229	2
Depreciation Expense (403)	22,086	21,964	3
Amortization Expense (404)	264	359	4
Taxes (408)	2,456	3,805	5
Total Operating Expenses	101,477	105,357	
Net Operating Income	20,859	6,334	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	20,859	6,334	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	2,390	917	9
Miscellaneous Nonoperating Income (421)	(17,656)	(21,502)	10
Total Other Income	(15,266)	(20,585)	
Total Income	5,593	(14,251)	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(3,493)	(3,493)	11
Other Income Deductions (426)	3,305	3,305	12
Total Miscellaneous Income Deductions	(188)	(188)	
Income Before Interest Charges	5,781	(14,063)	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	16,199	18,693	13
Amortization of Debt Discount and Expense (428)	0	0	14
Amortization of Premium on Debt--Cr. (429)	0	0	15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0	0	18
Total Interest Charges	16,199	18,693	
Net Income	(10,418)	(32,756)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	334,021	366,777	19
Balance Transferred from Income (433)	(10,418)	(32,756)	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	323,603	334,021	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
UTILITY OPERATING INCOME				
Operating Revenues (400):				
Derived	122,336		122,336	1
Total (Acct. 400):	122,336	0	122,336	
Operation and Maintenance Expense (401):				
Derived	76,671		76,671	2
Total (Acct. 401):	76,671	0	76,671	
Depreciation Expense (403):				
Derived	22,086		22,086	3
Total (Acct. 403):	22,086	0	22,086	
Amortization Expense (404):				
Derived	264		264	4
Total (Acct. 404):	264	0	264	
Taxes (408):				
Derived	2,456		2,456	5
Total (Acct. 408):	2,456	0	2,456	
Revenues from Utility Plant Leased to Others (412):				
NONE	0		0	6
Total (Acct. 412):	0	0	0	
Expenses of Utility Plant Leased to Others (413):				
NONE	0		0	7
Total (Acct. 413):	0	0	0	
TOTAL UTILITY OPERATING INCOME:	20,859	0	20,859	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Nonoperating Rental Income (418):				
NONE	0		0	9
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
BANK INTEREST	2,390	0	2,390	10
Total (Acct. 419):	2,390	0	2,390	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water			0	11

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Miscellaneous Nonoperating Income (421):			
NONREGULATED SEWER	(9,601)	(8,055)	(17,656) 12
Total (Acct. 421):	(9,601)	(8,055)	(17,656)
TOTAL OTHER INCOME:	(7,211)	(8,055)	(15,266)

MISCELLANEOUS INCOME DEDUCTIONS

Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(3,493)		(3,493) 13
NONE	0	0	0 14
Total (Acct. 425):	(3,493)	0	(3,493)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water		3,305	3,305 15
NONE	0	0	0 16
Total (Acct. 426):	0	3,305	3,305
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(3,493)	3,305	(188)

INTEREST CHARGES

Interest on Long-Term Debt (427):			
Derived	16,199		16,199 17
Total (Acct. 427):	16,199	0	16,199
Amortization of Debt Discount and Expense (428):			
NONE	0		0 18
Total (Acct. 428):	0	0	0
Amortization of Premium on Debt--Cr. (429):			
NONE	0		0 19
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0		0 20
Total (Acct. 430):	0	0	0
Other Interest Expense (431):			
Derived	0		0 21
Total (Acct. 431):	0	0	0

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Interest Charged to Construction--Cr. (432):			
NONE	0		0 22
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	16,199	0	16,199
NET INCOME:	942	(11,360)	(10,418)
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	40,264	293,757	334,021 23
Total (Acct. 216):	40,264	293,757	334,021
Balance Transferred from Income (433):			
Derived	942	(11,360)	(10,418) 24
Total (Acct. 433):	942	(11,360)	(10,418)
Miscellaneous Credits to Surplus (434):			
NONE	0	0	0 25
Total (Acct. 434):	0	0	0
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 26
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 27
Total (Acct. 436)--Debit:	0	0	0
Appropriations of Income to Municipal Funds--Debit (439):			
NONE	0	0	0 28
Total (Acct. 439)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	41,206	282,397	323,603

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	122,336	0	0	0	122,336	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	122,336	0	0	0	122,336	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	1,203,358	1,199,310	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	243,753	217,808	2
Net Utility Plant	959,605	981,502	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	746,390	742,777	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	362,395	349,219	4
Net Nonutility Property	383,995	393,558	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	90,283	88,162	7
Total Other Property and Investments	474,278	481,720	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	55,607	62,009	8
Temporary Cash Investments (132)	0		9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	38,033	37,078	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	96,875	95,052	14
Materials and Supplies (150)	5,646	5,646	15
Prepayments (165)	5,584	5,669	16
Other Current and Accrued Assets (170)	1,040	1,015	17
Total Current and Accrued Assets	202,785	206,469	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	374	637	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	374	637	
Total Assets and Other Debits	1,637,042	1,670,328	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	720,000	665,000	21
Appropriated Earned Surplus (215)	0		22
Unappropriated Earned Surplus (216)	323,603	334,021	23
Total Proprietary Capital	1,043,603	999,021	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	300,000	350,000	26
Total Long-Term Debt	300,000	350,000	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	2,210	5,136	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)	0		30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	2,563	2,978	32
Other Current and Accrued Liabilities (238)	498	9,015	33
Total Current and Accrued Liabilities	5,271	17,129	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)	0		35
Other Deferred Credits (253)	288,168	304,178	36
Total Deferred Credits	288,168	304,178	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)	0		37
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	1,637,042	1,670,328	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
First of Year:					
Total Utility Plant - First of Year	1,199,310	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (100.1)	1,028,849	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	174,509	0	0	0	3
Utility Plant Purchased or Sold (391)					4
Utility Plant in Process of Reclassification (392)					5
Utility Plant Leased to Others (393)					6
Property Held for Future Use (394)					7
Construction Work in Progress (395)					8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	1,203,358	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service - Financed by Utility Operations or by the Municipality (110.1)	163,979	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	79,774	0	0	0	12
Total Accumulated Provision	243,753	0	0	0	
Net Utility Plant	959,605	0	0	0	

**ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF UTILITY PLANT ON UTILITY PLANT
FINANCED BY UTILITY OPERATIONS OR BY THE MUNICIPALITY
(ACCT. 110.1)**

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	141,339				141,339	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	22,086				22,086	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	554				554	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	22,640	0	0	0	22,640	16
Debits during year						17
Book cost of plant retired	0				0	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	0	0	0	0	0	25
Balance end of year (110.1)	163,979	0	0	0	163,979	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						28

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT ON CONTRIBUTED PLANT IN SERVICE (ACCT. 110.2)

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	76,469				76,469	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	3,305				3,305	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	3,305	0	0	0	3,305	16
Debits during year						17
Book cost of plant retired	0				0	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	0	0	0	0	0	25
Balance end of year (110.1)	79,774	0	0	0	79,774	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						28

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	742,777	3,613		746,390	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	742,777	3,613	0	746,390	
Less accum. prov. depr. & amort. (122)	349,219	13,176		362,395	3
Net Nonutility Property	393,558	(9,563)	0	383,995	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel for generation					0	0	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	5,646	5,646	2
Sewer utility		0	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	5,646	5,646	

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
BOND ISSUE COSTS	68	428	0	1
BOND ISSUE COSTS 11/97	195	428	374	2
Total			374	
Unamortized premium on debt (251)				
NONE				3
Total			0	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	665,000	1
Changes during year (explain):		
ANNUAL TAX LEVY	55,000	2
Balance end of year	720,000	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
-------------------------------------	----------------------------------	--	----------------------------------	---

NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
GO PROMISSORY NOTE M&I BANK	11/18/1997	05/01/2007	5.13%	300,000	1
Total for Account 224				300,000	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	2,456	2
Charged electric department expense		3
Charged sewer department expense	2,317	4
Other (explain):		
NONE		5
Total Accruals and other credits	4,773	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	4,634	7
PSC Remainder Assessment	139	8
Other (explain):		
NONE		9
Total payments and other debits	4,773	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
GO PROMISSORY NOTES M&I	202	403	605	0	3
GO PROMISSORY NOTES M&I BANK	2,776	15,796	16,009	2,563	4
Subtotal	2,978	16,199	16,614	2,563	
Notes Payable (231)					
NONE	0			0	5
Subtotal	0	0	0	0	
Total	2,978	16,199	16,614	2,563	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
DEPRECIATION SINKING FUND	59,304	3
DEBT RETIREMENT SINKING FUND	30,979	4
Total (Acct. 125):	90,283	
Notes Receivable (141):		
NONE		5
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	19,055	6
Electric		7
Sewer (Regulated)	17,801	8
Other (specify):		
OTHER ACCOUNTS RECEIVABLE	1,177	9
Total (Acct. 142):	38,033	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		10
Merchandising, jobbing and contract work		11
Other (specify):		
NONE		12
Total (Acct. 143):	0	
Receivables from Municipality (145):		
ACCOUNTS RECEIVABLE TOWN OF THREE LAKES	96,875	13
Total (Acct. 145):	96,875	
Prepayments (165):		
PREPAID INSURANCE	5,584	14
Total (Acct. 165):	5,584	
Extraordinary Property Losses (182):		
NONE		15
Total (Acct. 182):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Other Deferred Debits (183):		
NONE		16
Total (Acct. 183):	0	
Payables to Municipality (233):		
NONE		17
Total (Acct. 233):	0	
Other Deferred Credits (253):		
Regulatory Liability	62,874	18
REGULATORY LIABILITY - SEWER	225,294	19
Total (Acct. 253):	288,168	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include contributed plant in service, property held for future use, or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service (100.1)	1,026,825	0	0	0	1,026,825	1
Materials and Supplies	5,646	0	0	0	5,646	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation (110.1)	152,659	0	0	0	152,659	4
Customer Advances for Construction					0	5
Regulatory Liability	64,620	0	0	0	64,620	6
					0	7
Average Net Rate Base	815,192	0	0	0	815,192	
Net Operating Income	20,859	0	0	0	20,859	8
Net Operating Income as a percent of						
Average Net Rate Base	2.56%	N/A	N/A	N/A	2.56%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

NONE

FULL-TIME EMPLOYEES (FTE)

Use FTE numbers where FTE stands for full-time employees or full-time equivalency. FTE can be computed by using total hours worked/2080 hours for a fiscal year. Estimate to the nearest tenth. If an employee works part time for more than one industry then determine FTE based on estimate of hours worked per industry.

Example: An employee worked 35% of their time on electric jobs, 30% on water jobs, 20% on sewer jobs and 15% on municipal nonutility jobs. The FTE by industry would be .4 for electric, .3 for water and .2 for sewer.

Industry (a)	FTE (b)	
Water	0.5	1
Electric		2
Gas		3
Sewer	0.5	4

**REGULATORY LIABILITY - PRE-2003 HISTORICAL
ACCUMULATED DEPRECIATION ON CONTRIBUTED UTILITY
PLANT (253)**

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Balance First of Year	66,367	0	0	0	66,367	1
Add credits during year:					0	2
Deduct charges:						
Miscellaneous Amortization (425)	3,493	0	0	0	3,493	3
Other (specify):					0	4
Balance End of Year	62,874	0	0	0	62,874	

FINANCIAL SECTION FOOTNOTES

Balance Sheet End-of-Year Account Balances (Page F-18)

Please explain amounts in Accounts 143, 145 and/or 233 in excess of \$2,000, providing a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

Account 145 Accounts Receivable from Municipality is made up of the following:

Tax levy for retirement of bonds	-	\$55,000
Fire protection assessment	-	33,795
Delinquent water/sewer bills	-	6,457
Stand by charge water/sewer	-	1,623

Identification and Ownership - Contacts (Page iv)

General footnotes

ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners
Three Lakes Sanitary District #1
Three Lakes, Wisconsin

We have compiled the balance sheet of Three Lakes Sanitary District #1 as of December 31, 2005 and 2004, and the related income and earned surplus statements for the years then ended included in the accompanying Municipal Utility Annual Report in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the Municipal Annual Report.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and accordingly, we do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

Wipfli LLP

February 20, 2006
Rhineland, Wisconsin

If the utility clerk (or other utility/municipal person responsible for municipal utility recordkeeping) is new (or will be new in the next year), please indicate here.

Becky Bellman, treasurer, has replaced Rick Lanz, prior year treasurer.

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	104,379	101,261	1
Total Sales of Water	104,379	101,261	
Other Operating Revenues			
Forfeited Discounts (470)	717	740	2
Other Water Revenues (474)	17,240	9,690	3
Total Other Operating Revenues	17,957	10,430	
Total Operating Revenues	122,336	111,691	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	39,503	53,254	4
General Operating Expenses (680-690)	37,168	25,975	5
Total Operation and Maintenance Expenses	76,671	79,229	
Other Operating Expenses			
Depreciation Expense (403)	22,086	21,964	6
Amortization Expense (404)	264	359	7
Taxes (408)	2,456	3,805	8
Total Other Operating Expenses	24,806	26,128	
Total Operating Expenses	101,477	105,357	
NET OPERATING INCOME	20,859	6,334	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered, or measured by tank or pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (either Account 461 or Account 464).
5. Other accounts: see application Help files for details.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	183	6,220	35,493	4
Commercial	76	7,100	26,505	5
Industrial				6
Total Metered Sales to General Customers (461)	259	13,320	61,998	
Private Fire Protection Service (462)	2		2,352	7
Public Fire Protection Service (463)	1		33,795	8
Other Sales to Public Authorities (464)	13	1,774	6,234	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	275	15,094	104,379	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1 or Fd-1)	33,795	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify): NONE		4
Total Public Fire Protection Service (463)	33,795	
Forfeited Discounts (470):		
Customer late payment charges	717	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	717	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	899	7
Other (specify): OTHER WATER REVENUES	16,341	8
Total Other Water Revenues (474)	17,240	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	This Year (b)	Last Year (c)	
PLANT OPERATION AND MAINTENANCE EXPENSES			
Salaries and Wages (600)	21,020	25,560	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	4,260	3,754	3
Chemicals (630)		0	4
Supplies and Expenses (640)	7,279	9,326	5
Repairs of Water Plant (650)	5,646	13,234	6
Transportation Expenses (660)	1,298	1,380	7
Total Plant Operation and Maintenance Expenses	39,503	53,254	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	6,732	4,709	8
Office Supplies and Expenses (681)	3,126	2,000	9
Outside Services Employed (682)	10,264	3,552	10
Insurance Expense (684)	4,414	4,543	11
Employees Pensions and Benefits (686)	12,247	10,946	12
Regulatory Commission Expenses (688)		0	13
Miscellaneous General Expenses (689)	385	225	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	37,168	25,975	
Total Operation and Maintenance Expenses	76,671	79,229	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	This Year (c)	Last Year (d)	
Property Tax Equivalent			0	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			0	2
Net property tax equivalent		0	0	
Social Security		2,317	2,389	3
PSC Remainder Assessment		139	1,416	4
Other (specify): NONE			0	5
Total tax expense		2,456	3,805	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	5,160		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	53,026		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	58,186	0	
PUMPING PLANT			
Land and Land Rights (320)	606		12
Structures and Improvements (321)	17,610		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	25,541		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	8,566		20
Total Pumping Plant	52,323	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	6,995	2,150	23
Total Water Treatment Plant	6,995	2,150	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			5,160	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			53,026	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	58,186	
PUMPING PLANT				
Land and Land Rights (320)			606	12
Structures and Improvements (321)			17,610	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			25,541	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			8,566	20
Total Pumping Plant	0	0	52,323	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			9,145	23
Total Water Treatment Plant	0	0	9,145	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	525		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	500,000		26
Transmission and Distribution Mains (343)	340,787		27
Fire Mains (344)	0		28
Services (345)	0		29
Meters (346)	22,073	1,086	30
Hydrants (348)	32,478		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	895,863	1,086	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	2,662		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	7,381		37
Other General Equipment (379)	1,391	812	38
Other Tangible Property (390)	0		39
Total General Plant	11,434	812	
Total utility plant in service directly assignable	1,024,801	4,048	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	1,024,801	4,048	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			525 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			500,000 26
Transmission and Distribution Mains (343)			340,787 27
Fire Mains (344)			0 28
Services (345)			0 29
Meters (346)			23,159 30
Hydrants (348)			32,478 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	896,949
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			2,662 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			7,381 37
Other General Equipment (379)			2,203 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	12,246
Total utility plant in service directly assignable	0	0	1,028,849
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	1,028,849

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	0		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	0	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	0		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	0		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	0	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			0 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			0 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			0 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	0
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			0 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			0 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	0
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	0

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	0		26
Transmission and Distribution Mains (343)	143,093		27
Fire Mains (344)	0		28
Services (345)	31,416		29
Meters (346)	0		30
Hydrants (348)	0		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	174,509	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	0		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	0		38
Other Tangible Property (390)	0		39
Total General Plant	0	0	
Total utility plant in service directly assignable	174,509	0	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	174,509	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)			143,093 27
Fire Mains (344)			0 28
Services (345)			31,416 29
Meters (346)			0 30
Hydrants (348)			0 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	174,509
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			0 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	0
Total utility plant in service directly assignable	0	0	174,509
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	174,509

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Expanded definitions of the three types of accounted-for water reported on this schedule are included in the schedule Help and in the Reference Manual Schedule Reference Sheet.

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			3,149	3,149	1
February			2,603	2,603	2
March			2,564	2,564	3
April			1,463	1,463	4
May			1,562	1,562	5
June			1,823	1,823	6
July			2,336	2,336	7
August			1,876	1,876	8
September			1,811	1,811	9
October			1,433	1,433	10
November			1,580	1,580	11
December			2,899	2,899	12
Total annual pumpage	0	0	25,099	25,099	
Less: Water sold				15,094	13
Volume pumped but not sold				10,005	14
Volume sold as a percent of volume pumped				60%	15
Volume used for water production, water quality and system maintenance				4,040	16
Volume related to equipment/system malfunction				210	17
Non-utility volume NOT included in water sales				400	18
Total volume not sold but accounted for				4,650	19
Volume pumped but unaccounted for				5,355	20
Percent of water lost				21%	21
If more than 25%, indicate causes:					22
Water is kept running on dead end lines to prevent winter freezing on dead end lines.					
Fire dept training and testing usage is unmetered.					
If more than 25%, state what action has been taken to reduce water loss:					23
Researching cost of installing a circulating system in tower reservoir to prevent freezing on dead end lines. Improving metering of water used for fire dept training and ISO reclassification of hydrants by the fire dept. Leak detection program.					
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				173	24
Date of maximum: 1/17/2005					25
Cause of maximum:					26
Water main break.					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				25	27
Date of minimum: 10/17/2005					28
Total KWH used for pumping for the year				35,341	29
If water is purchased: Vendor Name:					30
Point of Delivery:					31

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
WELL #2 - 1861 S MICHIGAN ST	#2	72	12	433,440	Yes	1
WELL #3 - 6911 E SCHOOL ST	#3	63	12	331,200	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	WELL #2	WELL #3		1
Location	1861 S MICHIGAN ST	6911 E SCHOOL ST		2
Purpose	P	P		3
Destination	R	R		4
Pump Manufacturer	LAYNE	LAYNE		5
Year Installed	1998	1974		6
Type	CENTRIFUGAL	CENTRIFUGAL		7
Actual Capacity (gpm)	350	220		8
Pump Motor or Standby Engine Mfr	US ELECTRIC	GENERAL ELECTRIC		9
Year Installed	1998	1974		10
Type	ELECTRIC	ELECTRIC		11
Horsepower	25	20		12

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				14
Location				15
Purpose				16
Destination				17
Pump Manufacturer				18
Year Installed				19
Type				20
Actual Capacity (gpm)				21
Pump Motor or Standby Engine Mfr				22
Year Installed				23
Type				24
Horsepower				25

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	NEW TOWER 1998		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
			3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		4
			5
Year constructed	1998		6
			7
Primary material (earthen, steel, concrete, other)	STEEL		8
			9
Elevation difference in feet (See Headnote 3.)	150		10
			11
Total capacity in gallons (actual)	150,000		12
WATER TREATMENT PLANT			13
Disinfection, type of equipment (gas, liquid, powder, other)	OTHER		14
			15
Points of application (wellhouse, central facilities, booster station, other)	OTHER		16
			17
Filters, type (gravity, pressure, other, none)	NONE		18
			19
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	1.5229		20
			21
Is a corrosion control chemical used (yes, no)?	Y		22
			23
Is water fluoridated (yes, no)?	N		24
			25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

			Number of Feet					
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	3.000	4,463	0	0	0	4,463	1
M	D	6.000	16,876	0	0	0	16,876	2
M	D	8.000	5,159	0	0	0	5,159	3
M	D	12.000	3,736	0	0	0	3,736	4
Total Within Municipality			30,234	0	0	0	30,234	
M	D	12.000	133	0	0	0	133	5
Total Outside of Municipality			133	0	0	0	133	
Total Utility			30,367	0	0	0	30,367	

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	209	0	0	0	209		1
M	1.000	35	0	0	0	35		2
M	1.250	13	0	0	0	13		3
M	1.500	11	0	0	0	11		4
M	2.000	6	0	0	0	6		5
M	3.000	1	0	0	0	1		6
M	4.000	1	0	0	0	1		7
M	6.000	3	0	0	0	3		8
Total Utility		279	0	0	0	279	0	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).
5. Explain all reported adjustments as a schedule footnote.

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	230	18	0	4	252	21	1
1.000	45	0	0	0	45	0	2
1.500	9	0	0	0	9	0	3
2.000	5	0	0	0	5	0	4
3.000	1	0	0	0	1	0	5
Total:	290	18	0	4	312	21	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	164	51	0	7	0	30	252	1
1.000	17	17	0	5	0	6	45	2
1.500	2	3	0	0	0	4	9	3
2.000	0	2	0	2	0	1	5	4
3.000	0	1	0	0	0	0	1	5
Total:	183	74	0	14	0	41	312	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	44				44	2
Total Fire Hydrants	44	0	0	0	44	
Flushing Hydrants						
	3				3	3
Total Flushing Hydrants	3	0	0	0	3	

NR811.08(5) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year.

Number of hydrants operated during year:

Number of distribution system valves end of year:

Number of distribution valves operated during year:

WATER OPERATING SECTION FOOTNOTES

Other Operating Revenues (Water) (Page W-04)

Please explain amounts in Account 474 in excess of \$2,000, including like items grouped. Please provide, for example, a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

Other Water Revenues (474) includes:

Monthly Cellular One revenue of \$1,050 for first 8 months of 2005, and \$1,092 for last four months of 2005.

Monthly NNE antenna rental of \$185.

Seasonal water turn-ons.

Water Operation & Maintenance Expenses (Page W-05)

For values that represent an increase or a decrease when compared to the previous year of greater than 30%, but not less \$2,000, please explain.

Administrative and General Salaries (680): Increase over prior year due to new hire training and transition to a new clerk/treasurer.

Water Services (Page W-18)

If Utility-Owned Service Not In Use at End of Year is reported as zero, please explain.

All utility owned services are confirmed in use at the end of the year.

Meters (Page W-19)

Explain all reported adjustments.

Adjusted 5/8" meter count to District actual counts.

Explain program for replacing or testing meters 1" or smaller.

Through attrition or testing, the District either replaces or tests approximately 10% of its meters each year.

Ss. PSC 185.83(2) states "Station meters shall be maintained to ensure reasonable accuracy and shall have the accuracy checked at least once every 2 years." Are all station meters being tested every two years? Answer yes or no. If no, please explain.

Yes.
